

Egypt's leading discount grocery retailer, Kazyon, attracts \$165 million investment from a DPI-led consortium to fuel continued growth and regional expansion

- Kazyon is Egypt's leading discount retailer delivering affordable, accessible products for customers across the country
- Tested and scalable retail model is disrupting the underpenetrated and fast-growing grocery retail market in Egypt
- Investment from DPI alongside other blue-chip institutional co-investors including British International Investment (BII), South Suez and others cements Kazyon's position as the leading discounter in Egypt with regional ambition to grow in the under-served African continent.

London 27 April 2023 – DPI has today announced a \$165 million equity investment in Kazyon Ltd, the UK parent of the largest discount retailer in Egypt “Kazyon” alongside co-investors, including British International Investment (BII), South Suez and others. The investment demonstrates continued confidence in the Egyptian retail sector and positions the business for future growth as it looks to accelerate its expansion plan across Africa.

Founded in 2014, Kazyon is committed to providing access to affordable products to the underserved market in Egypt and the surrounding region. Since its founding, and supported by DPI's initial investment in 2022, the company has seen significant growth, positioning itself as Egypt's largest discount retailer, with over 600 stores in 18 governorates. The company provides groceries to millions of customers at competitive prices, offering a focused range of products across its neighbourhood stores. The backbone of the operations is a proprietary logistics network, with centralised distribution centres across the country. Customer loyalty is rewarded through one of the largest loyalty schemes in the Middle East and Africa.

Building on Kazyon's strong brand recognition in Egypt, attractive customer proposition and scalable business model, the investment recognises the size and significant growth potential of Kazyon, as it looks to accelerate its expansion strategy, taking the successful model it has built in Egypt and replicating it across new markets.

DPI will help Kazyon accelerate its ambitious expansion strategy, progressing the roll out of its stores across Egypt and moving into new markets. Kazyon will also leverage DPI's specific expertise in ESG and Impact, implementing new proprietary ESG action plans to support the business on its journey to becoming more sustainable and institutionalised for future growth.

Hassan Heikal, Chairman and Founder of Kazyon Ltd said: *“I'm proud of what Kazyon achieved over the last few years. This investment solidifies our position as the leading grocery retailer in Egypt and could not have happened without the trust of millions of customers that we serve regularly, and the dedication of the thousands of employees led by a very capable management team. DPI's funding and contributions are helping the company to achieve its ambitions to become the largest discount retailer in Africa.”*

Ziad Abaza, Partner at Development Partners International commented: *“Kazyon is an exciting business that has seen significant transformation since it was founded, and under Hassan Heikal's leadership has established itself as one of the leading grocery retailers in Egypt. The retail market in the region remains significantly underpenetrated and there is*

significant demand for the products and services Kazyon offers with a growth model that has been proven many times in multiple markets. The business has a successful track record of innovation, creating new solutions that continually improve customer experience. The business is fast evolving into a tech empowered provider of retail goods to the under-served mass market and we are excited to partner with Hassan and his experienced management team in this next phase of the company's growth."

Kazyon was advised by Evercore Partners, Matouk Bassiouni & Hennawi Law office, PWC and Baker Tilly. DPI was advised by White & Case and Debevoise & Plimpton.

ENDS

Media contacts:

DPI

Edelman Smithfield

Alex Simmons, Olivia Adebo, Chloe Payne, Alfie Tisdall

E: DPI@edelman.com

About Kazyon

Founded in 2014, Kazyon is the largest discount retailer in Egypt, currently operating over 600 stores in 18 governorates and employing more than 5,000 people. Kazyon has been steadily increasing its store footprint in recent years, supported by its proprietary end-to-end logistics capabilities that fully integrate its distribution centres, fleet of transport vehicles and stores.

Kazyon provides millions of customers access to affordable, high-quality products, delivered through a network of consistent, recognizable neighbourhood stores and currently has one of the largest loyalty schemes in the Middle East and Africa.

About DPI

DPI is an Africa focused private investment firm with over US\$3 billion in assets under management and co-investments across three funds, targeting high growth, impact-driven, and innovation-led companies. DPI's three funds, African Development Partners I, II and III (ADP I, II and III), are ranked in the top quartile for performance by Cambridge Associates. Since DPI was founded in 2007, its ADP funds have completed 28 investments in 25 companies across the continent and its portfolio companies employ over 60,000 staff, with over 25,000 jobs created during DPI's investment.

In 2020, ADP III became the first 2X Flagship Fund, as part of the global 2X Challenge, committing to integrating a gender lens into its investment process, and reflecting DPI's long-standing commitment to gender equity. DPI has a female co-founder and CEO, one-third of the partners are women, and 50% of the firm are women. As a signatory to the UN Principles for Responsible Investment (PRI) and the Operating Principles for Impact Management, DPI promotes high ESG and Impact standards and seeks to contribute to the UN Sustainable Development Goals.